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Japan

Agricultural Situation

This Week in Japan

2000

Approved by:

Casey Bean

U.S. Embassy, Japan

Prepared by:

The U.S. Agricultural Affairs Office (Tokyo) and Agricultural Trade Office (Tokyo/Osaka)

Report Highlights: A summary of events and developments in the United States' largest export market for agricultural, forestry, and fishery products. This week's highlights include: Japan Cranberry Market Success Story; MAFF Floats Trial Balloon on Rice Purchases; "Condo Boom" Offers Opportunities for U.S. Hardwoods; Japanese Consumers Anxious About Safety of Food, Particularly GM; and Dairy Farmer Group To Market GM-Free Milk.

Includes PSD changes: No
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This Week in Japan

An Update of Major News and Events from the Largest U.S. Agricultural Export Market
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- i Japan Cranberry Market Success Story:** According to a nationwide business news report, imports of cranberry products (dried, frozen fruit, and juice concentrate) from September 1999-August 2000 increased 7-fold to 3,800 tons. Promotional efforts by the U.S. Cranberry Marketing Committee, private companies and FAS contributed to the dramatic sales growth. ATO/Osaka and ATO/Tokyo have cooperated in numerous promotion efforts which are now paying off for U.S. cranberry growers. (ATO Tokyo & ATO Osaka)
- i MAFF Floats Trial Balloon on Rice Purchases:** Several newspapers reported last week that MAFF might not purchase domestic rice this year because of high Government stocks. Current stock levels are estimated at around 3MMT (four month supply). Other analysts say that political pressures will cause MAFF to find a creative way to justify at least minimum purchases once the harvest gets into full swing in September. (AgAffairs Tokyo)
- i "Condo Boom" Offers Opportunities for U.S. Hardwoods:** Condominium sales attained an all-time high during January-June 2000 and are forecast at nearly 100,000 units by year end. This growth is a promising development for U.S. hardwoods as some upscale condominiums feature hardwood interiors. Overall, solid wood is infrequently used in condominium interiors, but consumers' rising demand for "healthy houses" offers new marketing opportunities. The demand for condos is attributable to the housing loan tax break for home buyers, effective through June 2001, and the decline in condominium prices. The healthy condominium market is expected to continue as consumers perceive the economy shows signs of recovery. (AgAffairs Tokyo)
- i Japanese Consumers Anxious About Safety of Food, Particularly GM:** According to a nationwide survey (Yomiuri Shinbun), more than 60% of respondents indicated they were reluctant to eat genetically-modified (GM) foods, while 35% were not worried about GM foods. Further, about 70% were reluctant to eat beef produced by cloning technology. Safety concerns were not limited to food. About 55% of respondents said they were somewhat unwilling to drink tap water, up 2 points from a survey conducted 3 years ago. The overall anxiety about food safety was likely heightened following last month's food poisoning incidents resulting from contaminated milk products. (AgAffairs Tokyo)
- i Dairy Farmer Group To Market GM-Free Milk:** A Hokkaido-based consumer group and agricultural cooperative said they will soon begin marketing a line of GM-free milk. The milk is produced by cows that are fed a diet free of GM foods. The coop plans to market the milk to large supermarkets, and plans initial production of 10 tons of milk per day. The milk will be priced 10-20 yen (9 to 19 cents) higher than normal milk at 230 yen (\$2.13) per liter. To date, the push for GM-free meat and dairy products has been limited to a few companies in Japan's food industry attempting to carve out a marketing niche. (AgAffairs Tokyo)